

CORPORATE COMPLIANCE PROGRAM AGREEMENT

The following Patterson Companies, Inc. ("Patterson" or the "Company") Corporate Compliance Program Agreement ("Corporate Compliance Program Agreement") has been prepared pursuant to the Non-Prosecution Agreement dated this same date between Patterson and the United States Attorney's Office for the Western District of Virginia ("USAO-WDVA"). Compliance with all the terms and standards of the Corporate Compliance Program Agreement is a condition of the Non-Prosecution Agreement and shall continue for the Term of the Non-Prosecution Agreement ("Term").

Applicability and Purpose

1. This Corporate Compliance Program Agreement shall be incorporated into the Non-Prosecution Agreement by reference, and compliance with the terms of the Corporate Compliance Program Agreement will be a condition of the Non-Prosecution Agreement. The USAO-WDVA acknowledges that the Company has already implemented many of these terms as of the date of the resolution.

2. Any proposed modifications to this Corporate Compliance Program Agreement must be made in writing and signed by the Company and the designated signatory for the USAO-WDVA.

3. The Corporate Compliance Program Agreement does not in any way release the Company from complying with any applicable federal or state statutes and/or regulations, and does not limit the imposition of any sanctions, penalties or any other actions available under those state or federal statutes and regulations.

The Corporate Compliance Program Agreement

4. The Company and the USAO-WDVA agree that the Company shall undertake the following voluntary compliance measures. The Corporate Compliance Program Agreement does and will continue to contain policies and procedures designed to prevent, detect, and correct violations of federal and state statutes and/or regulations concerning federal prescription drug distribution, including but not limited to the Food, Drug, and Cosmetic Act ("FDCA"), 21 U.S.C. § 301 *et seq.* and FDA requirements. These policies and procedures shall be designed to ensure that the Company complies with, among other things, the FDCA's prohibitions against causing the introduction into interstate commerce of a drug that is misbranded or otherwise violates the FDCA.

5. *Compliance Officer.* Prior to the effective date of the Non-Prosecution Agreement, the Company established the position of Chief Compliance Officer ("Compliance Officer") and appointed an individual to serve in the role on an interim basis until such time as the Company can fill the role on a permanent basis. The Company shall maintain a Compliance Officer for the Term. During the Term, the Compliance Officer shall be authorized to oversee compliance with federal and state statutes and/or regulations concerning federal prescription drug distribution, including but not limited to the FDCA, FDA requirements, and the requirements of the Corporate

Compliance Program Agreement. The Compliance Officer is, and shall continue to be, responsible for developing and implementing policies, procedures and practices designed to address compliance with the requirements set forth in this Corporate Compliance Program Agreement, with federal and state statutes and/or regulations concerning federal prescription drug distribution and FDA requirements. The Compliance Officer shall be a member of senior management of the Company, and shall report directly to the Chief Executive Officer of the Company. The Compliance Officer shall make periodic (at least quarterly) reports regarding compliance matters directly to the Patterson Company's Board of Directors (hereinafter the "Board") or any authorized committee thereof, and shall be authorized to report on such matters to the Board at any time. The Compliance Officer shall not be subordinate to the General Counsel or Chief Financial Officer. The Compliance Officer shall be responsible for monitoring the day-to-day compliance activities engaged in by the Company as well as for any obligations created under the Corporate Compliance Program Agreement. Any non-compliance job responsibilities of the Compliance Officer must not interfere with the Compliance Officer's ability to perform the duties outlined in the Corporate Compliance Program Agreement.

6. *Compliance Committee.* Prior to the effective date of the Non-Prosecution Agreement, the Company formed a Compliance Committee (hereafter "Compliance Committee") which, in conjunction with the Compliance Officer, assists in the implementation and enhancement of the compliance program. The Company shall maintain the Compliance Committee for the Term. The Compliance Committee shall include, at a minimum, the Compliance Officer and other members of senior management necessary to meet the requirements of the Corporate Compliance Program Agreement (e.g., senior executives of relevant departments, such as legal, regulatory, audit, human resources, and operations.) The Compliance Committee shall support the Compliance Officer in fulfilling his/her responsibilities (e.g., shall assist in the analysis of the Company's risk areas and shall oversee monitoring of internal and external compliance-related audits and investigations). The Compliance Committee shall meet at least quarterly.

7. *Board of Directors Compliance Obligations.* Prior to the effective date of the Non-Prosecution Agreement, the Board formed a committee responsible for overseeing the Company's compliance program ("Board Committee"). The Company shall maintain the Board Committee for the Term. The Board Committee shall consist of no less than three (3) non-employee directors, including at least one (1) member of the Special Investigation Committee formed in response to the USAO-WDVA investigation for a minimum of twelve (12) months from the date of this Non-Prosecution Agreement. The Board Committee shall oversee the Company's compliance program, including at a minimum:

- a. the Company's obligations under the Corporate Compliance Program Agreement
- b. receiving updates about adoption and implementation of policies, procedures and practices designed to ensure compliance with the FDCA and FDA requirements, and
- c. evaluating the effectiveness of the compliance program.

8. The Company shall continue to evaluate its current business to ensure that it is not currently receiving, distributing or handling misbranded or unapproved federal prescription drugs. Should the Company find it is receiving, distributing, or handling misbranded or unapproved federal prescription drugs, it shall take necessary steps to remediate any such conduct.

9. The Company shall continue to enhance its current training program to ensure that pertinent employees are familiar with the requirements of the FDCA and FDA requirements that could potentially apply to the Company's conduct.

10. The Company will put in place processes to (a) encourage employees to report suspected non-compliant activities by the Company, customers, or others and to (b) acknowledge or otherwise recognize employees for reporting confirmed non-compliant activity, as appropriate.

11. The Company will maintain, or as necessary establish, policies and procedures designed to ensure effective investigation of any complaints and/or potential deficiencies relating to compliance with federal and state statutes and/or regulations concerning federal prescription drug distribution, including but not limited to the FDCA and FDA requirements. Such policies and procedures shall include, but are not limited to:

a. Training and providing guidance to all pertinent employees as to the requirement to report all information regarding potential non-compliance with federal and state statutes and/or regulations concerning federal prescription drug distribution or FDA requirements to the Compliance Officer, who in turn will review and determine whether corrective actions are required; and

b. Tracking allegations and remediation action plans regarding potential non-compliance with federal and state statutes and/or regulations concerning federal prescription drug distribution or FDA requirements to identify issues that may require corrective actions.

12. Within 60 days of the end of the Company's fiscal year, the Company's Chief Executive Officer will certify, under oath, to (a) the United States Attorney's Office during the Term and (b) the United States Probation Office for any period during which Animal Health International, Inc. is on probation, that (1) the Company fully complied with all federal laws and regulations pursuant to the Food, Drug, and Cosmetic Act ("FDCA") in the preceding year (or, in the instance of the first such certification, the period from execution of the Non-Prosecution Agreement through the end of the Company's fiscal year 2020), or in the alternative, (2) list all non-compliant activity and the steps taken by the company to remedy such non-compliant activity. Any listing of non-compliant activity shall not be considered by the government or the Probation Officer as a per se violation of the terms of probation or the Non-Prosecution Agreement. Instead, other factors will be taken into account, including whether the conduct violated policies the Company has adopted, whether the Company provided training addressing the subject matter of the reported conduct, whether it was an isolated or systemic occurrence, the Company's response, and any remedial actions taken after the Company learned of the conduct reported.

Non-Compliance

13. The Corporate Compliance Program Agreement is part of the Non-Prosecution Agreement and adherence to it will be an enforceable condition. Deliberate, intentional or knowing failure to comply with any part of the Corporate Compliance Program Agreement is a violation of the Non-Prosecution Agreement.